

**2009 STATE DERA FUNDED LOWER-EMISSION SCHOOL BUS SOLICITATION
FUNDED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
DIESEL EMISSIONS REDUCTION ACT**

California Air Resources Board
April 20, 2009

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I. BACKGROUND

In 2001, the California Air Resources Board (ARB) initiated the Lower-Emission School Bus Program (LESB) Program to protect vulnerable populations, particularly school children, from smog-forming and cancer-causing particulate matter (PM) pollution. Since its inception, ARB has successfully partnered with air districts and school districts to implement the program. In the past seven years, the combination of resources from the State, regional, and local level have reduced the approximate 6,600 pre-1987 model year school buses (of which nearly 1,900 predated minimum federal motor vehicle safety standards effective in early 1977) to less than 2,200 (less than 100 of which are pre-1977 model years). In addition, over 3000 retrofits have been placed on in-use school buses to reduce toxic PM.

At the end of 2006, California voters approved Proposition 1B, which added \$200 million to the LESB Program. The ARB estimates these funds will replace an additional 1,100 high-polluting buses and retrofit at least 3,500 existing diesel school buses by June 30, 2011. Last year the ARB also adopted an on-road truck and bus regulation that will require a retrofit on all eligible school buses beginning in 2011.

While California has assigned resources and is working diligently to protect school children and improve air quality, there is an additional need for retrofits on diesel school buses. The ARB submitted a proposal to the United States Environmental Protection Agency (US EPA) to use the American Recovery and Reinvestment Act of 2009 funding for State Clean Diesel Grant Program (herein after referred to as the 2009 State DERA grant) allocation of \$1.73 million to make a more robust effort at addressing the need for retrofits on California's school buses.

As stimulus funds, the 2009 State DERA grant carries specific priorities for commencing the activities and expenditures as quickly as possible and to preserve and/or create jobs. Additional priorities of the DERA Program include reducing emissions in areas of high diesel exposure.

II. ELIGIBLE APPLICANTS

The 2009 State DERA grant-funded LESB Program solicitation is directed at providing monetary grants to local air districts that:

- A. Are already operating successful LESB Programs;
- B. Have school bus retrofit projects that are "shovel ready" (especially in areas of high population density with poor air quality); and
- C. Can implement these projects quickly.

Due to the need to act quickly with these funds, and the fact that the funds are limited, the ARB is limiting the minimum allocation to \$75,000. This is sufficient funds for 4-6 retrofits.

The selected local air districts will grant the funds to public school districts for the installation of Level III+ retrofits on pre-selected 1987 or newer model year school buses. All projects must comply with the 2008 Lower-Emission School Bus Program Guidelines; the Lower-Emission School Bus Program Advisories; the specific requirements of this solicitation; and, the requirements of the Recovery Act funding for the State Clean Diesel Grant Program. The 2008 LESB Program Guidelines and the related advisories are available at: <http://www.arb.ca.gov/bonds/schoolbus/schoolbus.htm>. Information on the Recovery Act funding for the State Clean Diesel Grant Program is available at: <http://epa.gov/otaq/eparecovery/progstate.htm>.

III. AVAILABLE FUNDING

The ARB was allocated \$1.73 million to expand the LESB Program funding of ARB verified and California Highway approved Level III+ retrofits. The ARB will provide grants agreements for the total \$1.73 million to air districts that meet the minimum qualifications.

IV. DEFINITIONS

The following definitions apply to the terms used to describe the requirements for the 2009 State DERA-Funded LESB Program Solicitation:

- A. Air district - Air pollution control district or air quality management district.
- B. Applicant - Local air pollution control districts or air quality management districts. The main contact person must have the legal authority to submit progress reports and sign legal documentation on behalf of the air district.
- C. Qualifying project – School bus retrofits (Level III+) that meet the requirements of all the applicable criteria specified in the 2008 Lower-Emission School Bus Program Guidelines, the Lower-Emission School Bus Program Advisories, and this solicitation.
- D. Verified Diesel Emission Control Strategy – An emission control strategy, designed primarily for the reduction of diesel PM emissions, which has been verified pursuant to the Verification Procedure and may be found at <http://www.arb.ca.gov/diesel/verdevt/vt/cvt.htm>.

V. APPLICATION REQUIREMENTS

Applicants must meet the minimum requirements stated in this solicitation and their proposed projects must meet all applicable criteria in the 2008 Guidelines for the Lower-Emission School Bus Program and the associated advisories. To be considered for funding applicants must meet these criteria and fully complete the application packet including:

- A. Application Form and Certification (Appendix A)
- B. Project Implementation Timeline (Appendix B)
- C. Roster of School Bus Retrofit Projects (district generated). The roster shall include: school districts' names; bus vehicle identification number (VIN); and, dollar amount for each retrofit, as well as total retrofits and funds at each school district.

Incomplete applications or proposals not meeting the minimum requirements may not receive consideration.

ARB staff may request additional information during the application review process, if needed. Additional copies of this application form are available at: <http://www.arb.ca.gov/bonds/schoolbus/schoolbus.htm>.

VI. APPLICATION PROCESS

A. Application Requirements and Submittal

Applications will be screened to determine that: (1) the application is complete; (2) the air districts are currently administering Lower-Emission School Bus Programs; (3) applications include the required documentation demonstrating need and readiness to implement.

Applications must be complete and accurate. Omissions, inaccuracies or misstatements may be cause for rejection of a proposal. Costs incurred for developing proposals in anticipation of an award are entirely the responsibility of the applicant and shall not be charged to the State of California.

One copy of the application packet must be originally signed by the Air Pollution Control Officer and must be received by ARB **no later than 5:00 PM April 28, 2009**. Please note that postmark dates will not suffice to meet the stated deadline. Late applications will **not** be accepted. Applications that are not signed by the APCO or that are sent via facsimile or email will **not** be accepted. Applications can be mailed or hand delivered to the following address:

U.S. Postal Service Deliveries
Ms. Janet Page
Air Resources Board
Mobile Source Control Division
P.O. Box 2815
Sacramento, CA 95812

Hand Deliveries
Ms. Janet Page
Air Resources Board
Mobile Source Control Division
1001 I Street
Sacramento, CA 95814

B. Applicant Evaluations and Funds Distribution

The ARB will evaluate each application to ensure the minimum requirements are met. The entire \$1.73 million will be distributed to local air districts. ARB will not retain any administrative funds, but will allow air districts to use up to seven

percent of their allocated funds for local costs. The basic requirements are highlighted below as well as the distribution of funds, which shall be based upon relative population.

1. Project Implementation Timeline

The ARB partnered with local air districts and school districts to implement the LESB Program. The 2009 State DERA funds offered in this solicitation are to expand school bus retrofits under the LESB Program. As part of the federal stimulus plan, the 2009 US EPA State DERA allocation includes obligations beyond those in DERA. One of those obligations is project readiness. Only air districts with school bus retrofit projects that are ready for immediate implementation will be considered for funding. To demonstrate that need and readiness, applicants must attach a district-generated roster of school bus retrofit projects that are ready for contract execution, as described in Section V.

Projects must be completed within the timeframe outlined in ARB's 2009 State DERA Proposal, which states that all school bus retrofits will be installed **and** fully paid by September 30, 2009. Only districts that complete Attachments A and B, include a roster of retrofits projects, and commit to completing and paying for all retrofit projects by September 30, 2009 will be considered for funding.

2. Prioritization of Projects

To ensure funds are spent according to US EPA program priorities, districts must prioritize their projects by school districts that operate in areas with the highest population and poor air quality. To determine areas with poor air quality districts should consider the following US EPA criteria:

- a. nonattainment and maintenance areas, Federal Class I Areas
- b. areas with toxic air pollutant concerns
- c. areas receiving disproportionate quantity of air pollution from diesel fleets including truck stops, ports, rail yards, terminals and distribution centers
- d. areas that use a community-based multi-stakeholder collaborative process

3. Funds Distribution

Funds shall be distributed up to the amount of ready applications based upon relative population, given a minimum proposal of \$75,000. ARB staff has determined the following allocation based

on current population values if all districts have sufficient projects available.

SCAQMD	16,835,000	\$ 898,000
BAAQMD	7,151,000	\$ 382,000
SJVAPCD	3,835,000	\$ 205,000
SDAPCD	3,161,000	\$ 169,000
SMAQMD	<u>1,427,000</u>	<u>\$ 76,000</u>
	32,409,000	\$1,730,000

VII. MILESTONES REQUIREMENTS

In order for the ARB to meet the milestones outlined in its proposal with the US EPA, air districts interested in partnering in the implementation of the 2009 State DERA-funded LESB Program must agree to and complete the following timetable for these milestones:

- A. Must submit the fully executed grant agreement with ARB within 30 days of the date ARB executed the agreement.
- B. Must submit grant agreements to school districts for all of ARB allocated funds for school bus retrofits within 30 days of executing the grant agreement with ARB.
- C. Must fully expend all funds for retrofits on or before September 30, 2009.

Failure to meet these milestones will result in the forfeiture of the district's allocation (or the district's unexpended portion of its allocation) of these funds. Forfeited allocations will be evenly distributed among the remaining qualified districts.

VIII. MONITORING AND REPORTING REQUIREMENTS

- A. Local air districts and school districts must maintain data for the life of the project as per the 2008 Guidelines for the Lower-Emission School Bus Program.
- B. Air district will not enter these retrofit projects in the LESB database. The LESB database is for Proposition 1B funded school bus projects only. This is the only deviation from the requirements in the 2008 Guidelines for the Lower-Emission School Bus Program.
- C. As with Proposition 1B funded LESB Program projects, ARB reserves the right to inspect all 2009 State DERA-funded LESB Program retrofit projects with 48-hour notice for the duration of the contract plus two years.
- D. Air Districts must provide monthly reports in the required US EPA reporting format. The monthly reports will include both information on the completed installation of retrofits on school buses and the preservation/creation of jobs.

- E. All completed retrofits of school buses must be entered by the district into the US EPA database referred to as the Diesel Emission Quantifier which may be accessed at <http://cfpub.epa.gov/quantifier/view/index.cfm>

IX. DISBURSEMENT OF FUNDS

Final district selection will be completed on or before May 4, 2009, and successful applicants will be notified immediately. Project awards will be made through a grant agreement between the ARB and the air district. Once the grant award process has been fully executed, payment will be made through a grant disbursement to the air districts. All retrofit projects will be administered by the air district. Air districts must then enter into formal agreements with the school districts for the retrofit projects. The school districts must complete the retrofit projects before September 30, 2009.

X. CONTACT PERSONS

Please contact Ms. Janet Page for questions relating only to the administration and processing of this solicitation. Ms. Janet Page may be reached at:

Ms. Janet Page
Mobile Source Control Division
Air Resources Board
1001 I Street
Sacramento, CA 95814
Phone: (916) 324-1988
Fax: (916) 322-3923

2009 State DERA-Funded Lower-Emission School Bus Program Retrofits
Application Form and Certification

1. Applicant Air District

District Name _____
Street Address _____
City/Zip Code _____
Contact Person _____
Phone _____ Email Address _____

2. Air District's Need for LESB Program Retrofits

Please answer the following with totals from the attached district generated roster.

- A. Total number of requested school bus retrofits: _____
- B. Total dollar amount of requested school bus retrofits: \$ _____
- C. Total dollar amount of requested school bus retrofits immediately ready for contract execution: \$ _____
- D. Total dollar amount of requested school bus retrofits immediately ready for contract execution that are within counties with high population density and poor air quality: \$ _____

3. Board Resolution

Check one box and complete the date if applicable.

- ☐ This application has been duly approved and authorized by the district governing board, as specified in the attached resolution.
- ☐ This application is scheduled to go before the district board on _____
Date

4. Air District Certification

To the best of my knowledge and belief, the information in this application is true and correct. The district has a need for funds to retrofit school buses as demonstrated by the air district generated list of projects (attached). The district will complete the school bus retrofits listed on the air district generated list as per the timeline (Attachment B) culminating on or before September 30, 2009.

APCO Signature

Printed/Typed Name

Date

2009 State DERA-Funded Lower-Emission School Bus Program Retrofits
Project Implementation Timeline

Air District Name _____

Tasks	Prior Months	May 2009	June 2009	July 2009	August 2009	September 2009
Submit governing board approved resolution to ARB						
Execute grant agreement with ARB						
Complete verification (i.e. inspections) of retrofit projects						
Execute grant agreements for retrofits with school districts						
School districts order retrofit devices						
School districts install retrofit devices						
School districts successfully complete Highway Patrol inspection						
School districts invoice air district						
Air district reviews and approves school districts' invoices						
Air district pays school districts (Please Note: Final payment on all retrofits must be made prior to September 30, 2009)						
Air district submits disbursement request to ARB (Please Note: Final disbursement request must be submitted to ARB prior to September 30, 2009)						
Air District submits monthly report to ARB (Please Note: reports are due monthly)		x	x	x	x	x
Other (specify)						